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10 Attorneys for Defendant and Counterclaimant
LIBERTY MUTUAL FIRE INSURANCE COMPANY

11 UNITED STATES DISTRICT COURT
12
13 NORTHERN DISTRICT OF CALIFORNIA

14 LARGO CONCRETE, INC., a California
Corporation; N.M.N. CONSTRUCTION,
15 INC., a California Corporation,

16 Plaintiffs,

17 v.

18 LIBERTY MUTUAL FIRE INSURANCE
COMPANY, a Massachusetts Corporation,
19 and DOES 1 through 100, inclusive.

20 Defendants.

21 AND RELATED COUNTERCLAIM

Case No. C07-04651 CRB (ADR)

Hon. Charles R. Breyer
[Complaint Filed: September 10, 2007]

**DECLARATION OF GREG FARKAS
FILED IN SUPPORT OF LIBERTY
MUTUAL FIRE INSURANCE
COMPANY'S REPLY BRIEF**

Date: December 21, 2007
Time: 10:00 a.m.
Place: Courtroom 8

DECLARATION OF GREG FARKAS

I, Greg Farkas, declare as follows:

1. I am employed as a Supervising Auditor in the Central Legal Billing Unit of Liberty Mutual Insurance Company ("LMIC"). LMIC is an affiliate of defendant Liberty Mutual Fire Insurance Company ("LMFIC"). LMIC and LMFIC are subsidiaries of Liberty Mutual Group, Inc. ("LMGI") (LMIC and LMFIC will be referred to collectively as "Liberty Mutual"). As a Supervising Auditor for LMIC, I am familiar with Liberty Mutual's corporate and other business records, including billing and accounting records, and the legal bill payment warehouse, *i.e.*, electronic invoicing system. I have authority to certify records for Liberty Mutual and I am qualified to testify as to the preparation and maintenance of their records. The facts set forth below are based upon my personal knowledge and/or information obtained from the business records maintained by Liberty Mutual which records were created in the ordinary course of business at or near the time of the events reflected in those records. If called and sworn as a witness, I could and would testify competently thereto.

2. According to electronic invoices received by LMIC from the law firm of Kern & Wooley, between July 21, 2003 to March 17, 2004, Craig Pynes billed 1,291.2 hours for his time while working on matters for Liberty Mutual and other affiliated companies. I made this determination by running a report from our invoice management system known as the Legal Bill Payment Workbench ("LBPW"). LMIC tracks, adjusts and approves invoiced payments to all of its outside law firms and legal vendors through LBPW. I searched for all Kern & Wooley invoices that LMIC's Central Legal Billing Unit approved and processed between January 1, 2003 to June 1, 2005. I then entered Kern & Wooley's tax identification number to limit invoice results to this law firm, and then filtered the results to display just Mr. Pynes' fee and time entries from June 2003 through March 2004. The results also provide the descriptions provided for the tasks Mr. Pynes performed. Attached to this declaration as Exhibit B is a true and correct copy of the report that I ran regarding Mr. Pynes' fee and time entries as described above.

1 3. After running the report attached as Exhibit B, I prepared a summary sheet
2 detailing Mr. Pynes' time entries by day and calculated a total of 1,291.2 hours charged by Mr.
3 Pynes for work he performed on behalf of Liberty Mutual and other affiliated companies. A true
4 and correct copy of the summary sheet is attached to this declaration as Exhibit C. After running
5 the report, I also prepared a spreadsheet that described Mr. Pynes' hours billed by client or
6 customer name and claim file, a true and correct copy of which is attached to this declaration as
7 Exhibit D.

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9 4. Attached to this declaration as Exhibit E is a true and correct copy of a
10 redacted electronic invoice dated March 8, 2004 that LMIC received electronically from Kern &
11 Wooley for work performed in the Tony's Fine Foods v. Liberty Mutual Insurance Company
12 matter. According to the invoice, Mr. Pynes billed LMIC 9.8 hours for work he performed on the
13 Tony's Find Foods matter.

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15 5. Attached to this declaration as Exhibit F is a true and correct copy of a
16 redacted electronic invoice dated May 20, 2004, that LMIC received electronically from Kern &
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1 Wooley for work performed in the matter entitled Ashou v. Liberty Mutual Fire Insurance
2 Company. According to the invoice, Mr. Pynes billed 85.8 hours for work he performed on the
3 Ashou matter.

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5 I declare under penalty of perjury, pursuant to the laws of the United States of
6 America, that the foregoing is true and correct.

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8 Executed this 12th day of December 2007 at Williston, Vermont.

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REG PARKAS

EXHIBIT B

EXHIBIT B
HAS BEEN REMOVED AND
LODGED WITH THE COURT
UNDER SEAL

EXHIBIT C

Sum of Time Billed or Unit Cost

Date of Activity	Total
7/21/03	3.8
7/22/03	8
7/23/03	8.3
7/24/03	8.2
7/25/03	7.2
7/27/03	3
7/28/03	8.4
7/29/03	8.4
7/30/03	8.5
7/31/03	8.2
8/1/03	8.3
8/4/03	6.1
8/5/03	7.9
8/6/03	8.3
8/7/03	8.2
8/8/03	5.8
8/9/03	2.4
8/11/03	7.8
8/12/03	7.8
8/13/03	7.4
8/14/03	7.7
8/15/03	8.2
8/16/03	1.1
8/18/03	4
8/19/03	5.8
8/20/03	8.3
8/21/03	9.2
8/22/03	9.2
8/23/03	0.8
8/25/03	8
8/26/03	6.4
8/27/03	8.8
8/28/03	8.4
8/29/03	8
9/1/03	1.9
9/2/03	7.9
9/5/03	6.3
9/8/03	8.4
9/9/03	8.1
9/10/03	9.2
9/11/03	7.6
9/12/03	8.5
9/14/03	3.3
9/15/03	7.8
9/16/03	10.4
9/17/03	8.1
9/18/03	7.6
9/19/03	8.3

9/22/03	8.8
9/23/03	7.8
9/24/03	9
9/25/03	7.6
9/26/03	8.6
9/28/03	3
9/29/03	10.3
9/30/03	6.7
10/1/03	8.6
10/2/03	9
10/3/03	10.6
10/6/03	8.5
10/7/03	10.5
10/8/03	9
10/9/03	8.8
10/10/03	8
10/11/03	2.5
10/13/03	8.6
10/14/03	9.3
10/15/03	8.3
10/16/03	8.2
10/17/03	8.3
10/19/03	2.9
10/20/03	8.5
10/21/03	8.6
10/22/03	8.4
10/23/03	10.8
10/24/03	5
10/26/03	8.6
10/27/03	10.3
10/28/03	2.5
10/29/03	9.8
10/30/03	8.5
10/31/03	6.4
11/3/03	10.1
11/4/03	7.6
11/5/03	8.4
11/6/03	9.4
11/7/03	8.6
11/10/03	8.4
11/11/03	8.5
11/12/03	9.2
11/13/03	10.2
11/14/03	8.8
11/15/03	3.1
11/17/03	9.1
11/18/03	10.5
11/19/03	10
11/20/03	5.4
11/21/03	9.7
11/22/03	1.8
11/24/03	7.7

11/25/03	7.1
11/26/03	8.4
11/30/03	3.5
12/1/03	8.6
12/2/03	9.2
12/3/03	8.5
12/4/03	8.3
12/5/03	8.2
12/8/03	8.5
12/9/03	8.5
12/10/03	8.1
12/11/03	8.9
12/12/03	5
12/14/03	1.4
12/15/03	5.2
12/16/03	8.9
12/17/03	8.9
12/18/03	8.5
12/19/03	6
12/22/03	6.8
12/23/03	8.4
12/24/03	4.1
12/29/03	7.5
12/30/03	8.4
12/31/03	5.4
1/1/04	0.2
1/2/04	1.4
1/5/04	6.8
1/6/04	7.2
1/7/04	7.8
1/8/04	3
1/9/04	7.2
1/10/04	3.3
1/12/04	9.5
1/13/04	10
1/14/04	7.3
1/15/04	9.4
1/16/04	7.4
1/17/04	3.2
1/19/04	8.7
1/20/04	9.7
1/21/04	10.4
1/22/04	8.7
1/23/04	8.5
1/26/04	8.1
1/27/04	9.8
1/28/04	6.6
1/29/04	6
1/30/04	6
2/2/04	7.3
2/3/04	8.5
2/4/04	8.7

2/5/04	7.3
2/6/04	7.7
2/9/04	7.6
2/10/04	6.8
2/11/04	9.7
2/12/04	8.5
2/13/04	7.9
2/14/04	3.1
2/17/04	8.3
2/18/04	7.2
2/19/04	7.6
2/20/04	8.7
2/23/04	2.9
2/24/04	8.2
2/25/04	7.1
2/26/04	9.5
2/27/04	4.3
2/28/04	1.2
3/1/04	3.5
3/2/04	3.3
3/3/04	1.8
3/4/04	2.7
3/5/04	2.4
3/8/04	1.2
3/9/04	5.1
3/10/04	6.4
3/11/04	3.3
3/12/04	1.7
3/15/04	4.2
3/16/04	3.9
3/17/04	1
Grand Total	1291.2

EXHIBIT D

Claim Number	Nme Cust	Firm Matte Total	
0043982940001	ASHOU, RAYMONDA	17749	85.8
H01837	Cessna, Diane v. Liberty Mutual Fire	17381	90.1
H01868	Mock, Ralph v. LMFIC	17522	20.6
H01920	McLoughlin, Danielle v. LMFIC	17692	245.8
H02202	Tony's Fine Food	16608	9.8
P 00105440701	OMEGA PRODUCTS	14143	1.2
P 00105906901	ZINC RECOVERY PROJECT	16725	153.7
P 00105954701	SOUTHWESTERN/P&H	16766	0.5
P 00105969701	CHURCH INSURANCE AGENCY CORP	17495	27.6
P 00105995301	D & K DRYWALL	17874	14
P 00106014401	EXCEL INC.	17798	19.4
P 00106046701	DAYCO PRODUCTS	17252	26.1
P 00199875701	KELLY & PICERNE INC	15736	173.3
P 60206054001	ARCHER ROOFING INC	15709	44.9
P 60206838801	ARCHER ROOFING INC	17604	1.7
P 60206879601	GEMCON INC DBA	17672	53.5
P 60206944901	SIERRA LUMBER	17176	19.2
P 60207095801	NALCO PLUMBING CO	17669	101.2
P 67000045101	LINCOLN PROPERTY COMPANY	17561	88.2
PX30300946001	SUNRISE CONCRETE CO INC	17703	34.5
PX60200468501	ALTA DRYWALL INC	16477	4.3
PX60200502501	DESIGNER MARBLE PRODUCTS INC	17727	75.8
Grand Total		1291.2	

EXHIBIT E

Legal eXchange Invoice from Kern and Wooley LLP

Invoice Number: 00070016608009
 Invoice Date: 03/08/2004
 Description:
 Matter Number: 1410041600
 Matter Name: Tony's Fine Food (H02202)
 Customer Pay Name:
 Customer Pay Number:
 Firm Tax ID: 95-2829952
 Firm Address: 11100 Santa Monica Blvd., 7th Floor
 Los Angeles, CA 90025

Fees:

Date	TK Name	LI #	Code	Hours	Rate	Orig. Amt	Curr. Amt	Description
REDACTED								
12/10/2003	Craig Pynes	4	L110 20	0.30	\$183.00	\$54.90	\$54.90	Fact Investigation/Development - Review underlying file information for various WCAB claims against Tony's Fine Foods for analysis of documents for production.
12/10/2003	Craig Pynes	3	L320 20	3.60	\$183.00	\$658.80	\$658.80	Document Production - Begin analyzing claim and other underlying file materials for production.
12/12/2003	Craig Pynes	5	20 L320	1.70	\$183.00	\$311.10	\$311.10	Document Production - Continue analyzing claim and other underlying file materials for production (and redaction and segregation of privileged information/ documents).
12/14/2003	Craig Pynes	6	L110 20	1.40	\$183.00	\$256.20	\$256.20	Fact Investigation/Development - Continue analyzing claim and other underlying file materials for production (and redaction and segregation of privileged information/ documents).
12/15/2003	Craig Pynes	7	L320 20	1.60	\$183.00	\$292.80	\$292.80	Document Production - Continue analyzing claim and other underlying file materials for production (and redaction and segregation of privileged information/ documents).
12/17/2003	Craig Pynes	8	L320 20	0.60	\$183.00	\$109.80	\$109.80	Document Production - Begin preparing privilege log for documents withheld from discovery or redacted.

12/18/2003 Craig Pynes 9 L320 20 0.60 \$183.00 \$109.80 \$109.80 Document Production - Continue preparing privilege log for documents withheld from discovery or redacted.

REDACTED

Date	TK Name	LI #	Code	Hours	Rate	Expenses:		Description
						Orig. Amt	Curr. Amt	

REDACTED

REDACTED

Billing Summary:

Orig. Amt Curr. Amt

Fees:

Expenses:

REDACTED

Totals:

Close

EXHIBIT F

EXHIBIT F
HAS BEEN REMOVED AND
LODGED WITH THE COURT
UNDER SEAL